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DATE: 06/24/93 SALES INFORMATION SYSTEM TIME: 15:47
SUBJECT: WAKEFERN FOOD (SHOP RITE) SENDER: NICK KURUC 1240

TO: G. P. BUCHAS
ALL DIVISIONS/DISTRICT WITH DIRECT PAY RESPONSIBILITY FOR SHOP RITE
MEMBER STORES

RE: WAKEFERN FOOD CORPORATION (SHOP RITE)

DEAR MANAGERS:

LISTED BELOW ARE PRELIMINARY DETAILS OF THE "RETAIL MASTERS" CONTRACT WHICH
PHILIP MORRIS RECENTLY SIGNED WITH WAKEFERN FOOD:

- > BASIC PAYMENT OF \$.65 PER CARTON ON ALL PHILIP MORRIS BRANDS PURCHASED.
- > THIS PAYMENT IS IN LIEU OF ALL CARTON AND PACKAGE MMRCHANDISING PAYMENTS
PREVIOUSLY MADE TO MEMBERS. PAYMENTS WILL BE MADE FROM WAKEFERN FOOD.
- > REQUIREMENTS:
 - PM MUST HAVE 42% (+ OR - 5%) ON ALL CARTON AND PACKAGE MERCHANDISERS.
 - PM'S FIXTURES MUST HAVE SIGNAGE ABOVE THEIR SPACE. THERE ARE NO SIGN-
AGE REQUIREMENTS ALLUDED TO IN THE BULLETIN SENT FROM WAKEFERN.

KEY POINTS:

1. ACCORDING TO THE BULLETIN, THIS PROGRAM DOES NOT REQUIRE THAT A PHILIP
MORRIS FIXTURE EITHER PACKAGE OR CARTON BE PLACED TO QUALIFY.
2. IN MOST CASES PHILIP ALREADY HAS CLOSE TO 37% OF AVAILABLE SPACE ON OUR
PACKAGE AND CARTON MERCHANDISERS.
3. THIS PROGRAM HAS MADE MAJOR FLAW; THOSE MEMBER STORES WITH S/S PACKAGE
AND CARTON MERCHANDISING WILL BE PAID THE SAME AMOUNT OF MONEY AS NSE
STORES THAT DO NOT DISPLAY OR ADVERTISE CIGARETTES.

IT HAS COME TO MY ATTENTION THAT PHILIP MORRIS KEY ACCOUNT PEOPLE ARE CONTACT
ING MEMBER STORES AND "STRETCHING" THE REQUIREMENTS OF THIS PROGRAM TO INCLUDE
THE PLACEMENT OF PACKAGE MERCHANDISERS. I WOULD LIKE TO RE-EMPHASIZE THAT
THIS IS NOT A REQUIREMENT TO QUALIFY FOR THE \$.65 PER CARTON PAYMENT.

I WILL MAKE YOU AWRAE OF FURTHER DETAILS AS THEY BECOME AVAILABLE.

BEST REGARDS,
NICK
G. N. KURUC, JR.

CC: ALL SALES PERSONNEL

GN
M-2
CC: APPLICABLE RSM'S
NADA

*** END OF MESSAGE ***